

State of Alaska FY2003 Governor's Operating Budget

Department of Natural Resources Mental Health Trust Lands Administration Component Budget Summary

Component: Mental Health Trust Lands Administration

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Component Mission

The Trust Land Office (TLO), supported by funds derived from Trust Income, manages and develops Alaska Mental Health Trust lands on behalf of the Alaska Mental Health Trust Authority to help improve the lives and circumstances of Trust beneficiaries. Annual income earned is available for distribution by the Trust Authority in the following year; principal earned contributes to income distributed in subsequent years.

Component Services Provided

- Administer existing transactions on Trust lands (e.g., contracts, leases, permits, rights-of-way and other encumbrances affecting Trust lands).
- Initiate new and diverse revenue-generating activities on Trust land.
- Fully account for Trust Land Office revenues, costs, and actions.

Component Goals and Strategies

- Maximize revenue generated from Trust lands over time through prudent administration of existing transactions, and generating new activity on Trust lands. The revenue objective for FY03 is \$4.9 million.
- Protect and enhance the long-term productivity of the Trust land portfolio. The FY03 objective is to inspect key activity areas on Trust land, e.g. Fort Knox Mine, Subport Leases, Icy Cape Timber Sale Area, Thorne Bay Timber Sale Area, etc. Additionally, TLO staff will inspect unencumbered Trust land whenever reasonable to do so. Finally, the TLO will continue efforts to rezone parcels, remove problematic encumbrances and plan for future development of key parcels.
- Ensure the maximum revenue is available for Trust Authority allocation by maintaining cost-effective Trust Land Office operations. The FY03 objective is that Trust Land Office costs will not exceed 25% of gross revenues.
- Maintain full accountability and positive reputation for Trust Land Office operations. The FY03 objective is to complete one annual report, four quarterly reports and 12 monthly reports.

Key Component Issues for FY2002 – 2003

- Increased diversity of Trust land transactions.
- Conversion of sensitive Trust lands (e.g. environmentally unique lands) to cash or other less sensitive assets.
- Volatile resource values over time.

Major Component Accomplishments in 2001

- Exceeded \$4.1 million dollar revenue goal by about 75%, with FY01 gross revenues of about \$7.2 million.
- Maintained core operating costs at about 11% of gross revenues (goal was less than 25%).
- Completed monthly, quarterly and annual reports to the Trust Authority.
- Consulted regularly with the Trust Authority on significant issues affecting Trust lands.

Statutory and Regulatory Authority

AS 37.13.300

Mental Health Trust Lands Administration

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	537.1	638.3	658.5
72000 Travel	26.5	30.0	30.0
73000 Contractual	159.8	288.9	268.7
74000 Supplies	10.6	11.0	11.0
75000 Equipment	28.1	15.0	15.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	762.1	983.2	983.2
Funding Sources:			
1092 Mental Health Trust Authority Authorized Receipts	762.1	983.2	983.2
Funding Totals	762.1	983.2	983.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	7,538.7	4,900.0	4,900.0	5,900.0	6,800.0
Unrestricted Total		7,538.7	4,900.0	4,900.0	5,900.0	6,800.0
Restricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0	0.0	0.0
Total Estimated Revenues		7,538.7	4,900.0	4,900.0	5,900.0	6,800.0

Mental Health Trust Lands Administration
Proposed Changes in Levels of Service for FY2003

No service changes.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	983.2	983.2
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	20.2	20.2
Proposed budget decreases:				
-Reduce contractual services to anticipated budget levels	0.0	0.0	-20.2	-20.2
FY2003 Governor	0.0	0.0	983.2	983.2

Mental Health Trust Lands Administration**Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	9	9	Annual Salaries	490,012
Part-time	0	0	COLA	17,266
Nonpermanent	3	3	Premium Pay	0
			Annual Benefits	172,095
			<i>Less 3.07% Vacancy Factor</i>	(20,873)
			Lump Sum Premium Pay	0
Totals	12	12	Total Personal Services	658,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Ex Dir Mental Hlth Land Trust	1	0	0	0	1
Natural Resource Mgr I	1	0	0	0	1
Natural Resource Tech II	1	0	0	0	1
Student Intern I	1	0	0	0	1
Trust Resources Manager	6	0	0	0	6
Trust Resources Technician	2	0	0	0	2
Totals	12	0	0	0	12